

Branston Parish Council

Employer Pension Discretions Policy Statements for Employees

Local Government Pension Scheme, (LGPS), Regulations Policy statement on all eligible employees

This statement is applicable to all employees of **Branston Parish Council** who are eligible to be members of the LGPS.

LGPS Regulations - Regulation 31: Power of employer to award additional pension to an active member or ceasing within 6 months to be an active member by reason of redundancy or business efficiency

Discretion	Council Policy December 2020
<p>An employer may decide to award a member additional pension up to a limit of £7,194 per year* (2020/21 rates) payable from the same date as their pension is payable.</p> <p>You must resolve to award additional pension while the member is active. If the member has been made redundant or retired on efficiency grounds you must make this resolution within 6 months of them leaving.</p> <p>*IMPORTANT NOTE: The amount of additional pension that can be awarded will increase each April.</p> <p>In your policy you must decide:</p> <ul style="list-style-type: none"> • if you will consider awarding additional pension to a member, and • the circumstances in which you will consider awarding additional pension <p>NB Some employers use this regulation if at a members request the Employer will as an alternative to a compensation (redundancy) payment allow the</p>	<p>Where an employee of Branston Parish Council is dismissed on the grounds of redundancy and qualifies for a statutory redundancy payment they will award lump sum compensation under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. At the member's request, the employer will, as an alternative to this compensation payment, allow the member to receive additional annual pension which will be assessed having regard to the capital value of the lump sum compensation otherwise payable, and in accordance with factors supplied by the Fund Actuary</p> <p>At this time, Branston Parish Council will not normally use this power in any other circumstances</p>

<p>member to receive an additional pension under this regulation.</p>	
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LGPS Regulations 2013 - Regulation 16(2)(e) and 16(4)(d) : Funding of additional pension contributions (APC) shared cost

<p>Discretion</p>	<p>Councils Policy December 2020</p>
<p>Where a member has elected to pay Additional Pension Contributions (APCs) an employer can elect to fund part or the entire employee's share of the contributions.</p> <p>In your policy you must decide:</p> <ul style="list-style-type: none"> • if you would consider contributing to a shared cost APC, • in what circumstances you would enforce this discretion, and, • how much you would contribute. <p>This does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay a shared cost APC to cover the amount of pension "lost" during that period of absence. In these cases the employer <u>MUST</u> contribute 2/3rds of the cost (Regulation 15(5) of the LGPS Regulations 2013.</p>	<p>Branston Parish Council has not adopted this discretion</p>

LGPS Regulations 2013 - Regulation 30 (6): Flexible Retirement

Discretion	Councils Policy December 2020
<p>A member who is aged 55 or over and with their employer's consent reduces their hours and/or grade, can then, but only with the agreement of the employer, make an election to the administering authority to receive all or part payment of their accrued benefits without having retired from that employment. In your policy you must decide:</p> <ul style="list-style-type: none"> • if you will consider granting flexible retirement, • the circumstances in which flexible retirement will be awarded, and • whether to waive any reduction that will be applied to the members benefits. There will be a direct cost to the employer 	<p>Branston Parish Council has agreed to release pension where there is no cost and not to waive any reduction.</p> <p>Members must reduce their hours by a minimum of 40% and/or reduce their job by a grade equally by the equivalent amount.</p>

LGPS Regulations 2013 - Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85

Discretion	Councils Policy December 2020
<p>A member who meets the 85 year rule and elects to draw their pension benefits from age 55 will no longer require their employer's consent if they retire after 31st March 2014. However certain members will lose some 85 year rule protections if they wish to draw their pension between age 55 and 59.</p> <p>An employer may decide to 'switch on' protection to the 85 year rule for a member who voluntarily retires from age 55 but before age 60, and meet any additional cost of the retirement.</p> <ul style="list-style-type: none"> • If the employer does agree to switch back on the rule of 85, the cost of any strain on the fund resulting from the payment of benefits before age 60 would have to be met by the employer 	<p>Branston Parish Council will not apply either discretion, unless there is a business case to support this as an alternative to a redundancy situation</p>

LGPS Regulations 2013 – Regulation 30 (8): Waiving of actuarial reduction.

Discretion	Councils Policy December 2020
<p>An employer has the discretion, under a number of retirement scenarios, to waive actuarial reductions on compassionate grounds.</p> <p>The cost of which would fall upon the employer.</p> <p>n.b. “Compassionate grounds” is not defined in the regulations</p>	<p>Branston Parish Council will not apply this discretion, unless there are exceptional circumstances</p> <p>The Director or Business Manager involved will consider any cases and will decide whether the actuarial reductions should be waived. In all cases the financial position of Branston Parish Council must be considered</p>

LGPS Regulations 2013 - Regulation 100 (6) – election to transfer within 12 months

Discretion	Councils Policy December 2020
<p>This discretion allows the Employer to extend the 12 month limit a member has in which to elect to transfer other pension rights into the LGPS. This has to be with the agreement of the Administering Authority</p>	<p>Branston Parish Council will not normally allow an extension of the 12 month limit, but will consult the Administering Authority in making a decision.</p> <p>Extenuating circumstances may apply and this would include</p> <ul style="list-style-type: none"> • Where evidence exists that an election was made within 12 months but his was not received by the administering authority • Where evidence exists that the member was not aware of the 12 month limit due to maladministration

